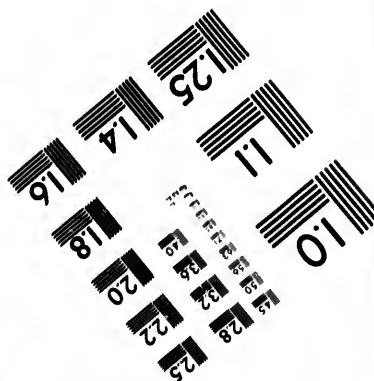
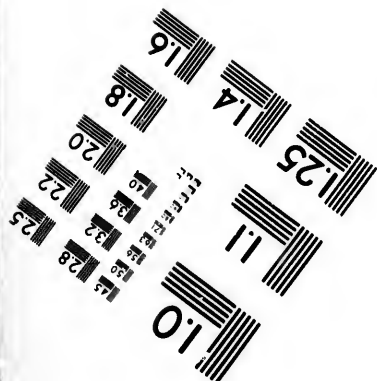
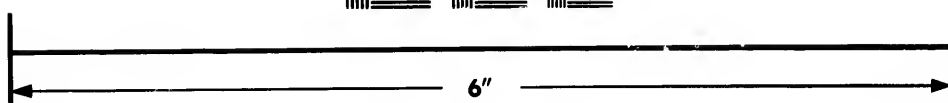
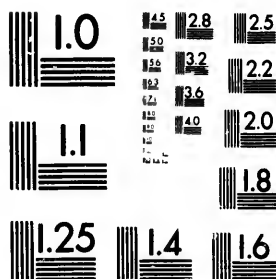


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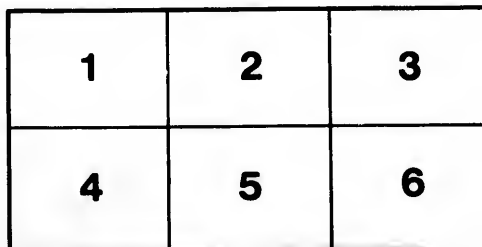
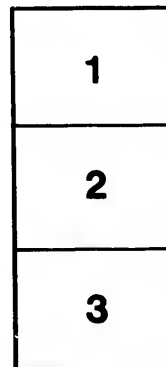
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SPEECH ON THE BUDGET

BY THE

HON. J. G. ROBERTSON,

TREASURER OF THE PROVINCE OF QUEBEC,

DELIVERED IN THE

LEGISLATIVE ASSEMBLY, QUEBEC,

13th JANUARY, 1874.

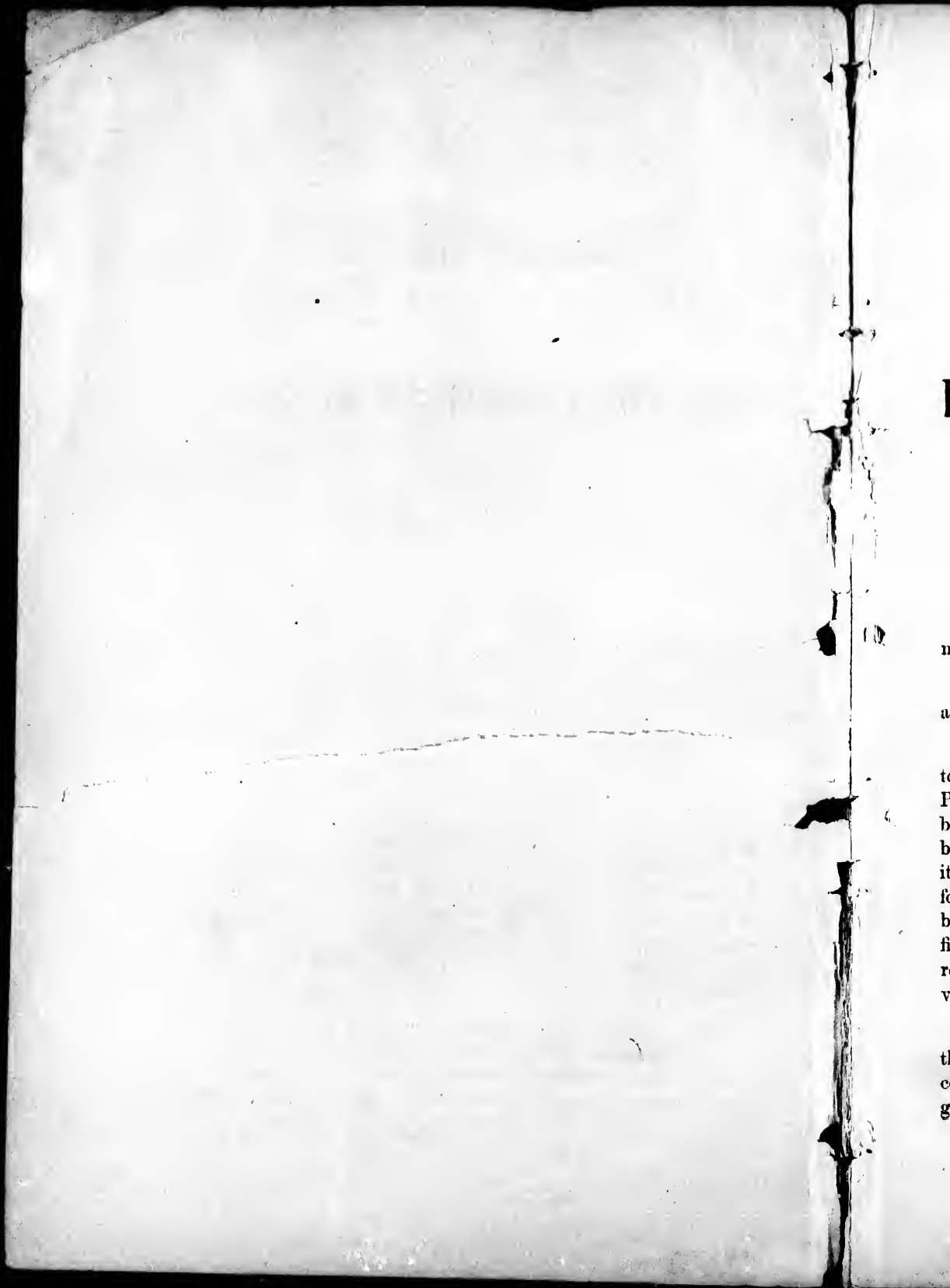
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QUEBEC:

PRINTED AT THE "MORNING CHRONICLE" OFFICE.

1874.



BUDGET SPEECH
OF THE
HON. TREASURER OF QUEBEC.

JANUARY 13th. 1874.

The House met at a quarter past three.

The Hon. Mr. ROBERTSON then moved the House into Committee of Supply. In doing so, he said :—

MR SPEAKER,—I beg to move that you do now leave the chair, and that the House go into Committee of Supply.

In making this motion, I am aware that the House will expect to have some information relative to the financial condition of the Province, as also explanations respecting our receipts and disbursements for the past fiscal year, and also estimates of our probable revenue from the next fiscal year, and the manner in which it is proposed by the Government to expend the same. This information I shall attempt to give in such a manner as I hope will be satisfactory to the House and the Country, and I trust my financial statement will be found on the whole encouraging as respects the past, and as regards our future prospects as a Province.

It is the best way, Mr. Speaker, to look at our position fairly in the face. If we are not prospering—if our position, instead of becoming better, is gradually becoming worse, if we are losing ground financially—spending our whole revenue, and running

into debt, it is our duty in such a case to carefully examine into our situation and consider in what way we may remedy the errors of the past, and avoid them in the future, by increasing our revenue as much as we can without unnecessarily burdening the people, and by cutting off at once any expenditure not absolutely required for the public service.

If, on the other hand, as I believe is the case, we are gradually increasing our revenue, and are thereby enabled to expend more for the promotion of public improvements and in promoting efficiency in the public service, we are not on that account to be careless of our resources or to recklessly spend them. Nor because our cash balance in the Treasury is gradually augmenting from year to year, are we to launch into extravagance in our expenditure; on the contrary, we ought to be on our guard the more against too lavish expenditure in order that we may be able to provide for unforeseen contingencies that may arise, and that we may to a greater degree assist in such enterprises as will develop the resources of our Province, retain our present population and increase it from other countries—provide education for the rising generation, and generally promote and advance the prosperity and welfare of the people at large.

I trust that the public accounts submitted to the House will be found clear and satisfactory, and show that our funds have been judiciously expended in the public interest, and in accordance with the express sanction of Parliament.

While giving a summary of our receipts and expenditure of the past year, I do not intend going so minutely into explanations of the various items as I have done on former occasions, but shall confine myself principally to those items which seem to me to require more information than a bare perusal of the published accounts will give. Before, however, Mr. Speaker, proceeding to this, let me refer in as brief a way as possible to an important question, which has been alluded to on every similar occasion, more or less, since Confederation, and which I am happy to say is now in a different position from what it has heretofore presented, and which, I have no doubt, will afford the House much pleasure.

I allude to the *Arbitration between the Provinces of Quebec and Ontario*. (Hear, hear.) This question has caused the Government a great deal of care and anxiety. Some supposed the Government did not push the settlement of the matters in dispute between the two Provinces as fast as they might—that we allowed matters to slip along without caring much how the question was settled, and were rather inclined to censure the Government for their seeming carelessness of the interests of the Province. Others, perhaps, more inclined to judge favorably of the acts of the Government, thought they had done all they could to adjust the difficulty, and were disposed to allow the Government to proceed in their own way.

The allusions made from year to year in my financial statements respecting the Arbitration question have excited some remarks more or less favorable to the position taken by the Quebec Government in relation to this important subject—although it is but fair to say the House sustained the Government, and to this, I have no doubt, in a great measure may be attributed the success which has crowned our efforts, so far, in relation to the debt chargeable against the Provinces of Quebec and Ontario in the Confederation Act.

I long ago formed the opinion that the framers of the British North America Act of 1867, in providing that the surplus debt of the late Province of Canada, over sixty-two and a-half millions of dollars should be charged, jointly to the Provinces of Quebec and Ontario, the interest on such surplus debt to be deducted annually from the subsidies payable to those Provinces by the Dominion, did these Provinces a great injustice ; and I was determined as far as I was able that this injustice should be removed and remedied, if possible. It was, perhaps, impossible in 1867, to foresee what the annual revenues of the respective Provinces would be, and what would be the charges upon these revenues, and it is not to be wondered at, that a few years' experience of the working of the Confederation Act shewed that a readjustment of the subsidies payable to the different Provinces was required in order that the business of the country might be satisfactorily conducted, and the Provincial Governments carried on respectably, and in such a

manner as to permit of local improvements being effected, and public affairs not injured through the want of the necessary means to carry them on.

As occasion offered, and repeatedly, in season and out of season, I urged on the Federal Government, and members of the same, the justice and propriety of the Dominion assuming the whole debt of the late Province of Canada, and thus relieving the Provinces of Quebec and Ontario jointly from the payment of interest upon the "surplus debt" out of their annual subsidies, amounting to from ten and a-half to eleven millions of dollars. The settlement effected last spring by the Dominion Parliament, I looked forward to, and in alluding two years ago to this subject, and the determination of Ontario to carry the so-called award of Messrs. Gray and MacPherson before the Privy Council in England for a decision, I remarked that "I personally confessed to having strong objections against appealing to the Privy Council upon the arbitration matter, and that the whole question might, and should be, settled on this side of the water, where a better knowledge existed of the whole facts of the case, and the pretensions of the two provinces could be better adjudicated upon than in England," and I further said "that Quebec united could not fail to obtain her just rights." While we were ready, if forced to go to England before the Privy Council, I felt, as I stated in my financial statement last year, "that the sooner the matters at issue between the Provinces of Quebec and Ontario were settled the better, and that hon. members might rest assured the Quebec Government would use every effort to obtain an early settlement of this important question, and see that the Province obtained that justice to which it is entitled." I said further that "the action of the members of this House and of the members from this Province in the Dominion Parliament could do much to obtain a fair settlement."

After numerous conferences among the members of the Quebec Government, and considering the last session of the Dominion Parliament as an opportune moment, for various reasons, to agitate for the settlement of the debt question, it was decided that I should proceed to Ottawa and in connection with my colleagues in

the House of Commons, endeavour to induce the Federal Government to introduce a measure into the Dominion Parliament, whereby the Dominion would assume the surplus debt of the late Province of Canada.

Accordingly, I went to Ottawa, and we finally succeeded in having the measure introduced, which passed in the form of a statute, enacting that "in the accounts between the several Provinces of Canada and the Dominion, the amounts payable to, and chargeable against, the said Provinces, respectively, in so far as they depend on the amount of debt with which each Province entered the Union, shall be calculated and allowed as if the sum fixed by the 112th section of the British North America Act, 1867, were increased from \$62,500,000 to \$73,006,088.84;" which, in effect, means that \$10,506,088.84 of the debt due to the Dominion jointly by Quebec and Ontario was assumed by the Dominion, and these Provinces freed from any further liability as individual Provinces in respect thereof; and the interest on the sum last named, instead of being withheld annually by the Dominion Government in paying the subsidies to these Provinces, will hereafter be paid to them without any deduction for interest. (Cheers.)

It was proposed that, on the Dominion Government assuming the surplus debt referred to, they should also take possession of the assets, mentioned in the Confederation Act, as belonging jointly to Quebec and Ontario, which are exceedingly valuable. This I strenuously opposed, and would not consent even to discuss the point, urging that these assets were declared in the Confederation Act to be the joint property of Ontario and Quebec, and could not be alienated, or taken from us, except by Imperial legislation or common consent of the parties interested, which legislation I had no fear of, and I felt sure no consent would be given; and that if, as I contended, an injustice was done these Provinces in charging them individually with any portion of the old debt, of Canada, that injustice would be only partially remedied if our assets were given up to the Dominion.

I need not enter into the details of how the settlement effected was brought about, or allude to the many difficulties which pre-

sented themselves, from time to time, in conducting the matter to a satisfactory issue. There are hon. members in this House who know something of these; and I take this opportunity, Mr. Speaker, in the name of our Province, of thanking them and other members of the Dominion Parliament, and above all, the members of the late Administration, and specially the hon. member for Quebec Centre, in this House (Hon. Mr. Langevin), for their action in the premises, without which I could have accomplished nothing. (Hear, hear.)

I am sorry to have to say that a few members of the Dominion Parliament from our sister Province, Ontario, opposed the adjustment of the matter in issue between the two provinces. Not that they considered it unjust in itself, but for political considerations, they, well knowing that Ontario would gain more than Quebec in the proposed arrangement of the question, and would be placed in the same position by the Act passed, as if in the Confederation Act the Dominion had assumed the whole debt of Canada in 1867. I am not aware that a single member of Parliament from this Province voted directly against the measure, though there were a few who failed to give it all that support which, in my humble opinion, it was entitled to.

Hon. Mr. HOLTON said—The Hon. Treasurer must recollect, in this matter, that the late Premier of the Quebec Government had, in the House of Commons, at the session previous, voted against a similar measure, proposed by himself, (Mr. Holton,) who was the first to introduce a measure of the kind.

Hon. Mr. ROBERTSON—The late Premier voted against the measure of the hon. Member for Montreal Centre, because he had one himself in contemplation, which he considered a more satisfactory one, and moreover the House had declined to consider the proposition, which had been introduced in an irregular manner. (Applause.)

Hon. Mr. ROBERTSON continued—This measure, I consider, Mr. Speaker, of vital importance to this province. It places our financial position in a better condition than ever before; it increases our revenue, and thereby enables us to do more for the

Province in the way of public improvements, as well as removes a source of great uneasiness and possible quarrel between the two provinces.

It is quite true we shall have to pay our share of the debt, placed on the whole Dominion, in common with the other Provinces, but it is a different affair from having a direct drain upon our comparatively limited resources; and, besides, the interest saved, if judiciously spent, will enable us to meet our share of the debt as part of the Dominion, better than directly paying the interest annually on some five millions of dollars. (Hear, hear.)

I may add, on this subject, further, that almost immediately after my return from Ottawa, I addressed a communication to the Hon. Mr. Crooks, Treasurer of Ontario, respecting a division of assets belonging to the two Provinces, and after some correspondence he visited Quebec, and met the hon. Premier and myself, when we had several unofficial interviews on the subject, and considerable progress made in relation to this matter. Subsequently, the hon. Mr. Mowat, Premier of Ontario, visited Quebec, and again we met and discussed preliminaries for several days.

It would, perhaps, be improper, at the present stage of negotiations, to say more. These interviews were entirely unofficial and informal; but, this much I must say, that we found several of the positions formerly assumed by the late Treasurer of Ontario, respecting the division of certain assets abandoned, and a more liberal and just appreciation of our pretensions frankly admitted.

I am in hopes we may be able to arrive at an amicable arrangement respecting these assets, now that the question of the division of the surplus debt is settled by the assumption thereof by the Dominion.

I would again thank those members, from this Province, who rendered such valuable assistance in this matter, and whatever opinions may be entertained as to the conduct of the Dominion Government on some other points, this I must say, they showed a desire, on this question, to do justice to this Province, and, also,

towards the other Provinces of the Dominion, for which I consider them entitled to the thanks of the country. (Hear, hear.)

One thing more, Mr. Speaker, in relation to the increased revenue of the Province, consequent on our not having to pay interest to the Dominion on our share of the surplus debt. We must not forget that our resources are still limited, and that equal care must be exercised in our expenditure as heretofore.

I am of opinion, that we may employ our increased income in such a way, that while promoting to a greater extent than was possible before, the improvement of our own Province, and aid in developing our resources, the effect upon the Dominion will be such, by affording better means of communications from one part of the country to another; by stimulating industries of all kinds; by largely increasing our population, and thus producing and increasing the wealth of the country, that the Dominion will be paid ten-fold directly the amount of the debt of our Province, which has been removed from our shoulders. (Hear, hear.)

In initiating a comprehensive policy for public improvement in the Province, I am aware that the Government has many difficulties to contend against. We have local interests and local jealousies to propitiate and remove, each locality entertaining the view that their particular project is the most important and deserving of special consideration and support, to the neglect of others.

We have also the fact staring us in the face that our resources are still limited, and it is the business of the Government to see that these resources are not merely, not squandered, but not exceeded. However willing the Government, and this House, might be, if larger means were at their disposal, to afford assistance to many enterprises useful in themselves, and advantageous to the country, still it is not wise management; it is not a liberal policy; it is not right for the Government, or this House, the guardians of the public interest, and public purse, to go into enterprises, good in themselves it may be, but which will prove bad and disastrous to the Province, if gone into to such an extent, as will involve burdens heavier than the people can bear, to meet the liabilities thus incurred. (Hear, hear.)

We must not involve the Province in debt for any object beyond what our means will easily permit us to meet. We must each and every one of us, be prepared to make sacrifice if need be, of our own pet projects for the good of the whole Province, and steadily keep in view the interests of the Province in the first place; the interest of our individual enterprises taking the second place in all our discussions and decisions.

If the Government is able, as I think it is, to give additional aid towards the construction of railways, than hitherto done, it arises entirely from the fact that our Province is freed from the debt due to the Dominion under the Confederation Act. Had the debt remained, no Government could have done what it is now proposed to do, nor would the country have sanctioned, even for railways, an increase of our debt to such an extent as is now proposed.

It is a curious fact, Mr. Speaker, that since it became known that our revenue in the future would be increased, in the way I have alluded to, there have been increased demands made upon the treasury, in aid of railways and other projects, each claiming that as our revenue would be increased, their particular scheme, upon which the prosperity of the Province depends—as they pretend—must necessarily receive all the aid asked for. I have in view of these increased demands, sometimes thought, that so far as mere money in the hands of the treasurer was concerned, it is doubtful whether in ten years hence, we would be better off than if we had continued to pay interest to the Dominion.

I must frankly acknowledge that I felt, at times, almost sorry that I could not urge the settlement, by the Dominion Government of Quebec's share of the surplus debt, without, at the same time, freeing Ontario from her share also, more especially as the prominent men in the Dominion Parliament, from the sister Province, did all they could to defeat the scheme, and the result was finally obtained against, seemingly, the consent of Ontario. I am in hopes the sober, second thought of Ontario, will lead her to acknowledge that after all, Quebec did her good service against her will. (Cheers.)

One other point in this connection.

It is well known that the Quebec Government claimed, and justly too, the property in this City, known as the Jesuits' Barracks, as belonging to the Province, and had made application to the Dominion Government for possession of the same, informally, repeatedly, and finally by a dispatch to the Federal Government urging the transfer.

On my arrival in Ottawa, last winter, I found, to my surprise, that the Dominion Government entertained doubts as to our right to the property mentioned, and were indisposed to acknowledge our claim. In order to understand the subject better than I had heretofore, I spent most of my time, for several weeks, while in Ottawa, in examining the records of the Legislature of Lower Canada, before the Union with Upper Canada in 1841, and the proceedings of the Parliament of Canada since the Union. The dispatches, of the Home Government, relative to the Jesuits' Estates, and addresses from the Houses of Parliament, &c., and finally made out, and sent to the Minister of Justice a memorandum, of what I considered our pretention to the ownership of the Jesuits' property here. I think the authorities cited fully sustained our view of the case. What effect the document may have had in the settlement of the question I know not, at all events the result was, that the "Jesuits' Barracks," in this city, have been formally handed over to Provincial Authority, and are now in our possession. (Hear! Hear! and applause.)

The disposition proposed to be made of the Barracks has already been communicated to the House.

I may mention, also, that I consider the property in Three-Rivers known as "Jesuits' Barracks," in that city, justly belongs to this Province. And, in the memorandum referred to, I made formal application to the Dominion Government, through the Minister of Justice, for possession of these also.

Our title, however, is not quite so clear to the "Jesuit Barracks" in Three Rivers as it was to the property in this city. It seems that the French Government, while Canada was in possession of

France, had obtained, by some means or other, possession of the plateau of land in Three Rivers, and built a fort thereon, to protect the inhabitants against Indian depredations, and at the cession of Canada to the English, the fort, and adjoining land, were handed over to the English military authorities by the French. It is claimed, therefore, that the property formed no part of the Jesuits' Estates at that time, having being out of their possession, previous to 1760, and consequently belonged to the Imperial Government.

I looked, for a long time, amongst the old records at my disposal in Ottawa, for some authority, or lease, from the Jesuit Fathers to the French Government, but found none. But the fact that in several lists of the Jesuits' property, furnished to the old House of Assembly of Lower Canada, and also to the Legislature of United Canada, mention is specially made of the "Jesuits' Barracks" in Three Rivers, and in the despatches from the Home Government also, that all the property of the late Order of Jesuits belonged to Lower Canada for educational purposes—no exception being made—I am convinced that we ought to obtain the property in Three Rivers, as well as what we have obtained in this city.

Further research amongst the old archives of the Province will probably reveal further details, which may remove all doubts on the subject.

I trust, Mr. Speaker, I have not wearied the House with these details. I feel that the House ought to know what has been done in the interest of the Province, in order that our rights may be protected, that the House may act understandingly in the premises.

REVENUE.

I now come, Mr. Speaker, to the Revenue received during the past fiscal year, ending 30th June last.

I find that I had estimated the Revenue during the period mentioned, at \$1,709,621, instead of which, it actually amounted to \$1,999,942.57; but there are certain items included in this

amount which ought not, properly speaking, to be called annual revenue, such as the sum received from the Dominion Government, for the St. Vincent de Paul Reformatory, the Insurance upon the Quebec Court House, the special deposit made on behalf of Roman Catholic Institutions, &c., but after deducting these and one or two other sums, there will be found some \$125,000 more received than estimated by me during the session of 1871. Upon several items I confess I received less than I expected, on others more, on the whole the result is, as just mentioned.

I prefer coming out a little better in my estimate, on both receipts and expenditure, than to have the receipts less, and the general result worse than calculated upon. (Hear, hear.)

Receipts for fiscal year, ended 30th June, 1873.

Cash on account Subsidy.....	\$800,000 00
Reformatory Prison, St. Vincent de Paul, sold Dominion.....	110,000 00
Special subsidy from Dominion for Immigration.....	13,700 00
Crown Lands Department—	
General receipts.....	\$ 55,111 90
Woods and Forests.....	518,682 63
Crown Domain, Seigniori of Lauzon & Surveys and Deposits.....	19,215 12
	<u>\$593,009 65</u>
Woods and Forests collections are \$73,929 95 more than last year.	

SPECIAL FUNDS.

Clergy Lands:

Municipalities Fund..... \$ 5,608 90

Jesuits' Estates:

Superior Education Fund and Income

Fund..... 13,193 33

18,802 23

Bills receivable matured and paid since 30th June,
1872.....

4,148 10

\$615,959 98

Less—bills receivable, not yet matured, included in the above.....	\$ 37,957 38
Total Cash Receipts from Crown Lands.....	<u>\$578,002 60</u>
The Crown Lands Receipts, bills receivable, not due on 30th June last, but since due or paid, included, amount this year as per statement No. 5 of the public accounts.....	\$611,811 88
Last year they were.....	<u>533,093 64</u>
Increase this year.....	<u>\$ 78,718 24</u>

LAW FEE FUND.

Stamps.....	\$76,124 60
Collections upon civil processes in our Courts.....	<u>7,269 91</u>
	83,394 51

BUILDING AND JURY FUND.

Stamps.....	\$ 8,238 26
Collections.....	<u>13,770 46</u>
	22,008 72

COURT HOUSE TAX.

Stamps.....	\$19,442 94
Collections.....	<u>1,503 53</u>
	20,926 47
Distributed as follows:	
Montreal Court House.....	\$19,309 10
Kamouraska.....	818 90
Ottawa.....	747 17
Bonaventure.....	<u>51 30</u>
	\$20,926 47

STAMPS UNDISTRIBUTED.

Law.....	\$8,875 96
Registration.....	<u>3,439 18</u>
Law Fee Fund, Building and Jury Fund, Court House Tax and Stamps undistributed	\$138,644 84

To be found in the Statement of Receipts No. 2, viz :

Law Stamps.....	\$106,540 25
Registration Stamps.....	9,560 69
Law Fees, exclusive of Stamps.....	7,269 91
Building and Jury Fund, exclusive of Stamps.....	13,770 46
Montreal Court House.	1,503 53
	<hr/>
	\$138,644 84

LICENSES.

Proceeds of Tavern, Shop, Auctioneer, Pedlar, &c ..	\$122,487 83
Marriage Licenses.....	4,932 00
	<hr/>
	\$127,419 83

EDUCATION.

Normal Schools :

McGill.....	\$2,342 07
Jacques Cartier.....	2,425 00
Laval.....	4,011 56
	<hr/>
	\$8,778 63
Teachers' Premium.....	274 32
Journals of Education.....	294 19
Maps of the Province, sold.....	186 01
	<hr/>
	\$9,533 15

School of Arts and Sciences (special for R C institutions) deposited by Education Department.....	\$12,546 41
Interest on same from Bank.....	431 00
	<hr/>
	\$12,977 81

Special Protestant Superior Education Fund, deposited by Department.....	\$129 37
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PUBLIC WORKS.

Rents of houses in Montreal.....	\$520 00
Provincial Police, amount paid by Quebec City Corporation for 2 years.....	69,072 27
Reformatory St. Vincent de Paul maintenance.....	1,417 97
St. John's Lunatic Asylum.....	838 50

Building and Jury Fund :

Quebec Court House, Insurance.....	\$40,000 00
Do. do. debris sold.....	80 00
Municipal Loan Fund on Act of interest.....	13,465 56
Quebec Fire Loan.....	3,470 82
Sale of Statutes.....	97 40
Printing Private Bills.....	326 51
Quebec Official Gazette.....	14,959 43

This does not include printing done for the Government during the year, which at reduced rates would amount to \$3,161 97, which, if paid by the Government direct, would make the amount, \$18,121 40.

The \$14,959.43 are therefore cash receipts; all receipts being paid into the Treasury, and all expenses paid by it. Cash profits show \$6,563.73 over expenditure, and including what the Government would have had to pay if the Gazette was published by other parties, \$9,725.70.

There were also gratuitously distributed 1,944 numbers of the Gazette, which, at a value of \$2 each, would make \$3,888.00 more to be added to the receipts.

The Queen's Printer's Office, after paying the cost of printing the Official Gazette and of the Laws and of their distribution, shows for this year a net cash profit of \$1,697.82. Fees on Private Bills \$1,745.35.

ADMINISTRATION OF JUSTICE.

Sheriff of Montreal :

House of Correction.....	\$2,536 65
City Corporation for Gaol Guard.....	2,400 00
	<hr/>
	4,936 65

CASUAL REVENUE.

Consists of "Conscience" money, sale of Municipal Code, of old papers, and of unclaimed goods, fines and penalties from Clerks of Peace, fees on Registration Bonds, &c, and copies of official documents.....

\$3,030 68

INTEREST.

On special Bank deposits.....	\$41,339 10
On Bills receivable.....	61 11
	<hr/>
	\$41,400 21

REFUNDS.

Immigration (sundries).....	\$191 42
Clerk, Legislative Assembly.....	4,698 55
Do. do. Council.....	2,080 14
Administration of Justice :	
Sheriff of Montreal.....	\$1,343 07
Auditor, on travelling expenses	56 85
Judicial Deposits, Salaries, &c.....	2,278 03
	<hr/>
	3,677 95
Contingencies of Departments :	
From accountant.....	\$572 28
Rev. W. Anderson.....	25
Judicial Deposits, Postages.....	750 00
	<hr/>
	1,322 58
Superior Education.....	115 35
Schools in poor Municipalities	11 00
McGill Normal School.....	48 33
Superannuated Teachers.....	57 00
Common Schools.....	1,971 75
	<hr/>
Total Refunds.....	\$14,174 02
Total receipts for year.....	\$1,999,942 57
On hand 30th June, 1872.....	679,809 64
	<hr/>
	\$2,679,752 21

SUMMARY OF RECEIPTS.

Dominion..	\$800,000 00
Reformatory St. Vincent de Paul, sold.....	110,000 00
Quebec Court House, Insurance.....	40,000 00
Crown Lands.....	578,002 60
Law Fee Fund, Building and Jury Fund, Court House Tax and Stamps.....	138,644 84

Licenses of various kinds.....	\$127,419 83
Police.....	69,072 27
From all other sources: Education, Reformatory, Asylum, Municipal Loan Fund, Quebec Fire Loan, <i>Official Gazette</i> , Interest, &c.....	136,803 03
Total receipts for year ending 30th June, 1873.....	<u>\$1,999,942 57</u>

EXPENDITURE.

As to our Expenditure for the past year, I may remark that I had estimated our expenditure, under votes of the Legislature, to be \$1,669,481, whereas it actually amounted to \$1,731,750 78; but in the latter amount will be found special warrants for unforeseen expenditure, the sum of \$139,056 15, as reference to the statement contained in the Public Accounts will show.

Deducting these special warrants, about which I will have something to say by and by, our expenditure has been less than my previous estimate by \$106,786 37, and, inclusive of special warrants, the expenditure exceeded my estimate by \$32,269 78.

It will thus be seen that, after deducting the items in our receipts, which are not, properly speaking, annual revenue, there remains in the Treasury about \$100,000 on the year's operations, and, including all receipts for the year, there was in the Treasury, at the close of the year, the sum of \$948,001 43. (Hear, Hear.)

EXPENDITURE FOR THE YEAR 1872-73.

Legislation.....	\$163,591 10
Legislative Council.....	\$ 39,700 00
do Assembly.....	108,100 00
Expenses of elections.....	1,061 60
Parliamentary Library, Clerks of Law and Chancery's salaries and Contingencies, Printing, binding and distributing the Laws.....	14,729 50
	<u>\$163,591 10</u>

Civil Government.....	\$135,106 74
Departmental Salaries.....	\$102,736 21
do Contingencies.....	32,370 53
	<hr/>
	\$135,106 74
Administration of Justice.....	311,884 07
Law Fee Fund; Salaries of Sheriffs, Prothonotaries and Clerks of Circuit Courts, Crown & Peace, old districts and Court of Appeals.....	\$117,438 54
Building and Jury Fund.....	1,900 60
General Expenditure :—Criminal Pro- secutions, Sheriffs Contingent ex- penses, Prothonotaries do, Coroner's salaries and contingencies, Clerks of the Crown and Peace, New Districts, District Magistrates, &c.....	192,494 93
	<hr/>
Police.....	47,546 12
General salaries, &c.:—Montreal and Quebec.....	\$ 8,144 83
Special Police under 33 Vic. Cap. 24...	30,401 29
	<hr/>
	\$47,546 12
Reformatory St. Vincent de Paul maintenance.....	25,010 33
do Montreal, do	11,846 00
do Sherbrooke, do	1,143 67
	<hr/>
	\$38,000 00
Prison Inspection.....	\$ 3,298 68
Thus making Administration of Justice, Police, Re- formatory Prisons and Prison Inspection.....	400,728 87
Education.....	308,447 19
Superior Education.....	\$ 74,079 00
Common Schools.....	144,260 44
Schools in Poor Municipalities.....	8,000 00
Normal Schools.....	48,956 00
Salaries of School Inspectors.....	23,151 75
Books for prizes.....	2,500 00

Journal of Education.....	\$2,400 00
Superannuated Teachers.....	5,100 00
	<hr/>
	\$308,447 19
Literary and Scientific Institutions, Quebec and Montreal.....	3,800 00
Art and Manufactures.....	3,000 00
	<hr/>
	\$315,247 19

AGRICULTURE.

Sundry Agricultural Societies and percentage allowed by law to the Council of Agriculture....	\$47,648 00
Council of Agriculture.....	4,000 00
Grants to Agricultural Schools, Ste. Anne and L'Assomption.....	1,600 00
	<hr/>
Total for Agricultural purposes	\$ 53,248 00
	<hr/>
Immigration.....	\$ 40,381 25
Colonization.....	129,291 31
Colonization Societies.....	\$ 8,851 94
Do Roads, 1st. class.....	85,090 38
2nd. do	22,348 99
3rd. do	9,000 00
Ste. Anne des Monts or Gulf Coast Road.....	4,000 00
	<hr/>
	\$129,291 31
Making the expenditure for Agriculture, Immigration, and Colonization.....	\$223,220 56

PUBLIC WORKS AND BUILDINGS.

Rents, Insurances, Repairs, &c., of Public Buildings.....	\$36,475 49
Inspections and Surveys	3,324 78
Rents, Insurances and Repairs of Court Houses and Goals.....	12,947 22
Gaol for Females, Montreal.....	523 04

Montreal Gaol.....	\$ 1,332 96
Court House and Gaol, Bonaventure	1,193 08
Do. do. Gaspé.....	2,284 18
Quebec Court House (before fire).....	6,752 99
Quebec Temporary Court House.....	14,988 27
Sherbrooke Court House	1,200 00
Three Rivers do.	1,700 00
Court Houses and Gaols, new Districts :—	
Beauce.....	5,977 96
Saguenay.....	3,904 08
Making total Expenditure for Public Buildings.....	<u>\$92,004 05</u>

CHARITIES.

Beauport Lunatic Asylum.....	\$118,329 54
St. John's do	20,545 29
Marine Hospital, Quebec.....	4,000 00
Belmont Retreat Inebriate Asylum, Quebec.....	400 00
Miscellaneous Charities, consisting of grants to Hospitals and Asylums of various kinds.....	40,710 00
Reformatory Schools.....	4,015 02
Industrial do	5,300 00
Total Charities.....	<u>\$193,299 85</u>

MISCELLANEOUS SERVICES.

Quebec Official Gazette.....	\$ 8,395 70
Arbitration under Constitutional Act.....	2,893 01
Aid to distressed people, Saguenay.....	790 55
Saguenay Roads and Bridges, in aid of distressed settlers.....	2,819 33
Miscellaneous Expenditure.....	12,331 66
Municipalities Fund C. S. L. C., Cap. 110.....	72 00
Licenses, Stamps, &c.....	1,916 96
Marriage Licenses.....	4,932 00
Expenditure through Crown Lands Department...	142,502 15

Registration Service.....	\$18,202 00
Surveys.....	24,000 00
Special Exploratory Survey for Gosford	
Road.....	6,633 48
Boundary line, Ontario and Quebec....	8,000 00
Purchase of Gaspé Fishery and Coal	
Mining Company's lands.....	35,566 37
General Expenditure, Agencies, &c....	50,100 00
	<hr/>
	\$142,502 15

Making the total expenditure for the year paid by warrants through the Treasury.....	\$1,700,451 72
To which must be added amounts paid by Revenue Officers out of collections made by them, viz:—	
By Sheriffs, out of Building and Jury Fund.	5,440 73
By collectors of revenue licenses, for expenses of collections and tavern licenses paid to municipalities.....	15,109 92
	<hr/>
	\$1,721,002 37
Add amount credited Municipal Loan Fund from Dominion.....	10,835 64
This amount is credited the Province, by the Dominion Government, in open account.	
Add also, warrants outstanding 30th June, 1872....	28,821 96
	<hr/>
	\$1,760,659 97
Less warrants outstanding 30th June 1873..	28,909 19
	<hr/>
	\$1,731,750 78

So that taking the total receipts during the year with the amount in Treasury on 30th June, 1872.....	\$2,679,752 21
And deducting the total expenditure for the year....	1,731,750 78
	<hr/>
Leaves in the Treasury.....	\$48,001 43

Disposed of as follows :

Bank of Montreal.....	\$550,000 00
Union Bank.....	100,000 00
Metropolitan Bank.....	125,000 00
<hr/>	
Special deposits, bearing 6 p. c.....	\$775,000 00
Bank of Montreal.....	\$127,003 69
Union Bank.....	29,000 00
Metropolitan Bank.....	3,415 06
La Banque Nationale.....	13,393 31
do	129 37
Ordinary deposits.....	173,001 43
<hr/>	
	\$948,001 43

Our principal expenditure would appear to be on the following services :—

Legislation.....	\$163,591 10
Civil Government	135,106 74
Administration of Justice, Police, &c.....	400,728 87
Education, &c	315,247 19
Agriculture, Immigration and Colonization.....	223,220 56
Public Works and Buildings.....	92,604 05
Charities, Hospitals, Insane Asylums, &c	193,299 85
Crown Lands Expenditure.....	142,502 15
Sundry other items....	34,151 21
<hr/>	
	\$1,700,451 72

To which adding the payments made by Revenue Collectors out of their collections, as stated.....	20,559 65
And the warrants outstanding 30th June, 1872.....	23,821 96
And the amount credited Municipal Loan Fund from Dominion.....	10,835 64
<hr/>	

Makes.....\$1,760,659 97

Deducting from which the warrants outstanding 30th June last.....	28,909 19
<hr/>	

Total expenditure for year ending 30th June, 1873..\$1,731,750 78

JUDICIAL DEPOSITS.

And now a few words respecting Judicial Deposits, which are not included in the Treasury Accounts proper, and the amount at the credit of the Government in the several banks forms no part of the amount in the Treasury belonging to the Province. The Judicial Deposits law is, I believe, giving good satisfaction throughout the country.

The confidence felt that moneys deposited into Court are safe, removes a good deal of suspicion and distrust, which formerly existed in the minds of suitors, as to the safety of their deposits, and as to the certainty of obtaining them at once, on judgments of distribution being rendered. The system is now in full operation and in good working order.

The whole amount deposited in the Treasury Department since the coming into force of the Act in March, 1872, to the 30th June last was \$827,854.97; and paid out on judgments of distribution during the same period \$558,761.55, leaving a balance, on actual deposits, of \$269,093.42.

There was allowed, by the Banks, for interest during the same period \$14,655.29, and deducting from this the expenses of management, salaries and allowances of two per cent to Prothonotaries and Sheriffs \$7,120.87, leaving at the credit of interest account a balance of \$7,534.42, which added to the balance upon deposits, makes \$276,627.84, and which is deposited in ten different Banks.

In case the money market gets easier and the interest allowed by Banks becomes less, there is no danger of any expenses accruing to the Province in the management of this fund.

In a year or two when the receipts of our interest can be calculated with some degree of certainty, the House will be better able to decide as to what disposition is to be made of any surplus interest received. In the mean time it stands to the credit of that account,

SPECIAL WARRANTS.

I desire to explain to the House the reason for issuing some of the principal special warrants, which authorized the Government in cases of urgency to expend money, without the direct consent of the Legislature had first been obtained.

As regards the expenditure on the Quebec Court House, I may remark, that it became necessary on the burning of the old Court House to provide, at once, accommodation for holding the various Courts, of the District and Province, with as little delay as possible.

The Dominion Government, on our application granted us permission to use the Military Hospital, in the City, temporarily, as a Court House. No other building being available, it was found, on examination, to require considerable expense, in order to its being made to answer the purpose intended, and, besides, furniture was required for the Court rooms and the use of the various offices connected with the administration of justice. Funds not having been voted by the House for such purposes, it became necessary that a special warrant should issue to authorize the Treasurer's Department in advancing money to prosecute and complete the works.

This was done and the cost, I must say, is larger than I had anticipated. The necessity of having the building put into proper shape as soon as possible, and the kind of repairs required, precluded their being done by contract, and although the work was carefully done, under the superintendence of the Public Works Department, the cost was larger than at first was supposed.

A certain amount was spent during the past fiscal year, and paid during the current year. For the latter, I propose a special vote amongst the sums required for services not sufficiently provided for in the vote taken for this year, in order that the whole cost may be paid out of the present year's revenue. (Hear!)

There was an insurance upon the building and furniture of the old Court House amounting to \$40,000, which was received by the Government, and which pays so much of the expense incurred in the fitting up of the present temporary building.

I am sorry to say there was but a small sum insured on the valuable library contained in the Court House, and I intend, with the permission of the House, to propose a small grant in the Estimate to aid, in part, the Advocates in replacing, as far as may be, their library. (Hear, hear.) The amount \$5,000 will be paid the Bar of this city, if voted, for the purpose mentioned.

This is, perhaps, not a very good precedent to set, and I would remark here that it would be a good precaution, for the Bar of the different sections in the Province, to insure their respective libraries against loss by fire rather than, in case of similar accidents, to rely on obtaining grants from the Legislature, to make good any loss occasioned by fire.

In this connection I may say that the Quebec Court House fire called attention to the state of the so called vaults in the St. Francis District Court-house, and these were so utterly worthless, as against fire, that, on examination of their condition, it was found absolutely necessary to build a new vault, which has been done, the cost of which will also appear in the Estimates.

Another item in the special warrants is for Spencer Wood, under the heading of "rents and repairs."

It was found on examination of this property, upon which scarcely any repairs had been made, either to the buildings or furniture, since it was first built and furnished, that in order to preserve the property and render it habitable, as a residence for the Lieutenant-Governor at all seasons of the year, considerable expense must be gone to, and exceeding the usual small sum allotted for that purpose. The amount expended during the current year, I will ask a vote for, also, so that the amount expended on this property, and on the temporary Court House, will be voted at this session, and appear in this year's transactions.

With respect to the large amount paid, and payable for the purchase of lands, in Gaspé and Bonaventure Counties, formerly held by the Gaspé Land and Fishery Co., it will be in the recollection of the House, that certain petitions were presented to the Legislature, praying that the Government would purchase these

lands and prevent speculators from acquiring them, to the great damage of settlement. These petitions were reported upon by a committee of the House, favorable to the purchase of said lands by the Government, if they could be obtained at a fair rate.

The universal opinion of the House, I believe, was in favor of the report being carried into practice.

It was clear, to the Government, that unless some arrangement could be made with the English creditors, to take a reduced amount for their claims, it would be impossible to buy the lands; and, after a good deal of negotiation, the Government were able to purchase the property at less than the claims held upon it, and accordingly bought at Sheriff's sale some 122,312 acres of land, for the price of about forty cents per acre.

There is no question but that the Government will, in time, be fully reimbursed for the outlay. The Province will suffer no loss by the transaction, and at the same time, speculation will be prevented by private parties, and the settlement, (hear, hear,) of that part of the country promoted.

It was found necessary also to come to the relief of the distressed settlers in the Counties of Chicoutimi and Saguenay, in order to help them to live, and accordingly we provided some money which was expended in road-work, the settlers paying for the advance made in this way. I have no doubt the House will cheerfully sanction this expenditure.

The Survey of the Boundary Line between Ontario and Quebec, it was found necessary to proceed with, and a special warrant for \$8,000 on account was issued during last year, and the balance required to complete that Survey during this year will be asked for in the estimates.

There appears also a warrant for Immigration purposes, which it was considered necessary to issue in order that the work should not be discontinued, and an amount will be asked for, to complete the expenses of the current year for this important purpose.

It was also found that the Legislative provision for the Administration of Justice and to meet the increase of salaries to employees of this House, granted by it, last Session, were deficient, and, to meet such deficiency, special warrants were issued to the amount of \$38,000, which the Legislature will be called on to sanction.

Hon. members will bear in mind that these special warrants have been paid out of last year's revenue and appear in the Public Accounts, but to avoid as much as possible the issue of such warrants, during this year, I have thought it best to apply to the House for Legislative sanction, which, from the causes stated, make the appropriations voted at last session inadequate for the purposes intended. (Hear, hear.)

I now come, Mr. Speaker, to the Estimated Receipts for the next fiscal year.

These have been calculated from the previous receipts, and altered, I thought, as was required to meet the circumstances; and first in the list is :

Dominion..... \$1,000,000 00

This amount is founded upon the Subsidy specified in the Confederation Act, and includes the interest, on certain School funds, in the hands of the Dominion Government, and also allowing a small amount, for contingencies, which the Dominion Government may likely charge us with, during the year.

Crown Lands Department..... \$560,000 00

This amount is larger than my last year's Estimate by some \$27,000, but some \$18,000 less than their actual receipts during the past year, and will, I believe, be realized from this Department. Of course fewer lumber limits being sold, or likely to be, will affect our revenue for the time somewhat, but continued care in the officers of the Department, and attention to collections will amply keep up our revenue from this source. The Province, by-and-by, in the increased timber dues which the law authorizes to be placed on cutting timber, can afford to wait awhile before disposing of large quantities of limits :

The next items are :

Law and Registration Stamps.....	\$ 120,000
Law Fee fund, Building and Jury fund and Court House tax.....	21,500
Educational receipts including Normal Schools....	9,500
Reformatory St. Vincent de Paul, (debts due).....	10,000
Licenses of various kinds including Liquor, Auctioneers, &c	18½,000
House of Correction, Gaol guard Montreal, St. John's Lunatic Asylum.....	5,800
Municipal Loan Fund.....	20,000
Official Gazette.....	17,000
Casual Revenue.....	2,500
Sale of Statutes, Printing the Laws, Fees on private Bills.....	2,500
Police.....	27,000
Rent of House in Montreal.....	500
Contribution of City of Montreal, on account of Fe- male Gaol, in that city.....	25,000
Interest on Bank Deposits, &c.....	44,000
<hr/>	
Making in the whole an Estimated Revenue for the year beginning the 1st July next... ..	\$2,000,300

I hope the result will, as heretofore, somewhat exceed my estimate of receipts, and I have endeavoured to place the amount within, rather than beyond, the expected Revenue, and, of course, this does not include the cash balance which may be in the Treasury at the close of the current fiscal year.

I now come to the proposed Expenditure for the next fiscal year, corresponding with the estimates submitted to the House,—and I may remark here, that in some services there will be found a larger appropriation asked for than last year. This is accounted for by the increase of salaries made at the last Session of this House, and which made the previous amounts voted too small, both for last year, and for the current year. It will be recollected that, with respect to the increase of Expenditure and raising of salaries of the employees of the Legislature, this House set

aside the report of the special Committee appointed to consider that question, and in acting independently of the report of the Committee, considerably augmented the charges under the head of Legislation, which I begin with first.

Legislative Council ; Indemnity to members, Mileage, Salaries and Contingent Expenses.....	\$ 41,507
Legislative Assembly ; for similar services in this branch of the Legislature.....	97,000
Expenses of Elections.....	2,500
Parliamentary Library.....	5,000
Clerk of the Crown in Chancery, Salary, and ordinary Contingencies.....	800
Law Clerk, Salaries of office and contingencies.....	3,800
Printing, binding and distributing the Laws.....	5,000
Making, in the whole, asked for Legislation.....	\$155,607

Being for the reasons I have already mentioned in excess of the same total last year by \$7,711.

II. CIVIL GOVERNMENT.

Public Departments, Salaries and Contingencies, \$143,295.

The details of this service have been submitted to the House in the printed statement, accompanying the estimates. And owing to certain increases made to the salaries of certain employees, which I fully explained to the House last session, and which were approved of ; the increase asked for this year exceeds last year's appropriation by \$5,175.

It is quite possible that, during the year, there may be some small increase in remuneration made to certain of the Civil Service clerks, for I hold, that officers should be paid a fair return for their services, in proportion to their responsibilities, efficiency, industry, and attention to their duties, and I much prefer having only efficient and useful officers in the Departments, with fair salaries, to having a larger staff of employees, upon small salaries, or to having comparatively useless persons in the Departments, even if they pretended to work for almost nothing. (Hear, hear.)

The next item of Expenditure, and which will be found to be large, is

III.—ADMINISTRATION OF JUSTICE—\$332,840.

This amount is arrived at by a comparison of the expenditures for several years past. As was intimated to the House last session, and which seemed to be the universal opinion, there was an increase of salaries required in several of the Court Houses of the Province, distributed as judiciously as possible, upon representation from those best acquainted with the services performed, and it is found, that in order to make the administration of justice prompt, effective, and useful to the public, an increased expenditure is absolutely required. I have carefully gone over all the accounts, from time to time, and am of opinion that the sum asked will be required in order to carry on this branch of the public service effectively.

Police appropriations, including Provincial Police, \$59,800.

It was found impossible to keep up an efficient police force without increasing the pay of the officers and men. They, in common with all others in the community, had to contend against the increase in prices of the necessities of life, and it was thought better to retain the services of the members of the present force than to engage others not acquainted with such duty, even if they could be found at a lower figure.

The proportion of cost, however, paid by the city of Quebec, is too small for the benefits conferred on the city, and measures will be taken to increase the contribution from the city, which I have no doubt will be acceded to by the Corporation. I notice the hon. member for Quebec county smiles at this. I trust he will use his influence towards increasing the Corporation proportion.

Reformatories.—Montreal and Sherbrooke, \$38,000.

The inmates of these institutions, I am sorry to say, are increasing, and the estimate is founded on the draft of contract submitted to, and approved by the House last Session. Prison Inspection, the same as last year, \$3,400, making for Justice, Police, Prison Inspection and Reformatories, \$434,040, an increase of \$51,503 over last year's appropriation.

IV.—EDUCATION,

Superior Education.....	\$ 71,000
Common Schools.....	145,000
Schools in poor municipalities.....	8,000
Normal Schools.....	42,500
Salaries of School Inspectors.....	26,810
Books for prizes.....	2,500
Journals of Education.....	2,400
Superannuated Teachers.....	6,000
High Schools Quebec and Montreal.....	2,470
Compensation to R. C. Institutions for grants to High Schools.....	4,940
Total Education.....	<u>\$311,620</u>

The only increase in Education, with the exception of \$700 to superannuated teachers, is in the allowance to school inspectors. An examination of the extent of several of the districts assigned to some of the Inspectors, the large amounts, comparatively, in proportion to their salaries, which had to be disbursed for travelling expenses, rendered a revision of the salaries paid, and of the Inspectors' divisions, absolutely necessary.

It was found requisite, in order to promote efficiency in the Inspection of Schools, to appoint three new Inspectors, and to increase in some instances the allowance for travelling expenses, more especially as, in addition to the expenses of visiting the Schools generally, they are frequently obliged to travel long distances to settle difficulties which arise as to school houses, the division of districts, &c., which involves them in more or less expenditure from time to time.

I should have been glad could I have seen my way clear to recommend an increased grant for Common Schools, but I could not at present do this. The affording of every facility for obtaining an education in those studies, usually taught in our Common Schools, to the very poorest family in the country, situated it may be in the back woods, should engage the serious attention of the Government and the Legislature, and I am in hopes that in a few

years we will be able to augment our grant to Common Schools to such an extent as to give to all our people, poor and rich, an opportunity of obtaining such an education as will enable them better to perform their duty to themselves, their families, and the public at large. The general diffusion of education I take to be the duty of every Government, and, without this, our country will soon go behind other countries in civilization, commerce, manufactures, and general prosperity.

LITERARY AND SCIENTIFIC INSTITUTIONS.

Quebec and Montreal.....	\$4,000 00
Advocates Library, Quebec.....	5,000 00
Board of Arts and Manufactures.....	3,706 40
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Total Education, Literary and scientific Institutions, Arts and Manufactures.....	\$324,826 40
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In settling up the affairs of the Board of Arts and Manufactures in Montreal, under the law passed last session, there was a dispute concerning some accounts, which the officers, were not able to arrange satisfactorily, and under the new law the cash in hand had to be sent to the Treasury Department, and accordingly the sum of \$706.40 was remitted, which sum I intend, should be sent to the new Board in order that the whole sums originally granted may be applied to the uses and purposes of the Board.

V. AGRICULTURE, IMMIGRATION AND COLONIZATION.

Agricultural Societies.....	\$50,000 00
Board of Agriculture.....	4,000 00
Board of Agriculture, to assist in establishing a Stud for the Province (revote).....	5,000 00
Stone breaking machines.....	10,000 00
Two Agricultural Schools.....	1,600 00
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	\$70,600 00
Immigration.....	20,000 00

Colonization Societies.....	\$12,500 00	
Do. Roads, 1st class.....	60,000 00	
Do. do. 2nd do,	13,000 00	
Do. do. 3rd do,	7,000 00	
		<u>92,500 00</u>
Total of Agriculture, Immigration and Colonization..	\$183,100 00	<u></u>

With respect to the grant for Immigration, had our finances allowed, I should have asked for a larger appropriation. It is to be remarked that out of this grant heretofore, quite a sum has been appropriated and paid towards encouraging and bringing back our population from the United States, and not spent in bringing Immigrants from Europe.

With regard to the European Immigration, which has reached and remained in our Province, the results last season have been satisfactory. (Hear, hear.)

When it is taken into account, not only the ignorance which prevailed in the old country respecting Lower Canada, but the united efforts of the Ontario and United States agents, to cry down and depreciate this Province, it is not to be wondered at, that several years' time was necessary for our agents to inform the people, in Europe, of our real situation, and the facilities afforded for settling amongst us. We had to disabuse the minds of the people of their prejudices against this Province, which, for years, had been instilled into their minds, and fostered by every possible means in the power of the multitude of agents working against us. I think the result is as great as we had any good reason to expect.

Now that information has been disseminated of our true position ; of our liberal policy in aid of Immigrants coming to locate on our wild lands : and false and erroneous impressions removed, we may expect a large influx of just such people as we need. Of skilled agriculturists and artisans ; of men of capital and experience ; of men who, while bettering their own condition in coming to this country, will give a stimulus to our present population, by introducing a better system of husbandry than obtains now.

amongst us, by the introduction of better breeds of cattle; by the introducing improved machinery of all kinds, and especially by the introduction of capital, not merely cash capital seeking investment in a new country, but capital of a better kind than cash, strong arms and willing hearts, men, able and willing to assist us in developing the Agricultural, Mineral and Industrial pursuits of our Province. These we need, these we must have, and cannot do without, if we would keep our true position amongst the other Provinces of the Confederation.

These remarks are applicable as well to the encouragement to be afforded to such of our people as have left for the United States within the few past years.

Now if the Government, by means of grants, in cash or land, towards the construction of Railways, can induce capital from other countries, to flow into our Province, and which, without this aid, from the public purse, or domain, would not seek investment here, if every dollar granted by the Legislature will be the means of procuring from abroad the expenditure of from \$4 to \$5 more, surely this is the best means of affording parties, from Europe or the United States, the means of providing for themselves and families, until such time as they finally establish themselves in some branch of industry which these railways will encourage and foster, as well as introduce into the country. (Hear, hear.)

In the United States, every able bodied immigrant is calculated to add \$1,000, to the wealth of that country, and this, irrespective of the cash which each may bring into the country with him. If this be true, and I believe it is within the mark, we can well afford to spend money in this direction. It will give a better return for the outlay than any other mode of expenditure.

Besides all this, Mr. Speaker, the amount of actual cash brought into the Province by these immigrants is of great importance. Why Sir, I believe that last season alone the amount of money brought into this Province and being now expended in public improvements—in farming operations or granting aid to parties wishing to establish themselves on our wild lands, directly and

indirectly through the efforts of our agents in the Old Country, would surprise us all. I have no doubt that the interest of the money alone thus brought amongst us, would far exceed our entire expenditure during the past year for immigration purposes.

Another point, this Province must always stand at a great disadvantage in our Dominion Legislature, if our population does not increase in somewhat the same ratio as that of our sister Provinces. Already we have seen increased representation given, under the Confederation Act, to Ontario than existed in 1867, and self preservation should stimulate us to endeavour to retain our present status, at least amongst our sister Provinces. (Hear.)

With regard to the grant towards Colonization, the Government, in view of the large expenditure on Railways and other works of a public nature, felt that it was necessary to diminish the grants towards these roads, more especially to those parts of the country where railway works are, or will be, in progress. The amount, although smaller than usual, is, at the same time, larger considerably than the appropriation made for both Upper and Lower Canada during the Union, and it is unquestionably better at present to afford Railway accommodation within easy access from new settlements, than even to make good common highways, and leave Railways unbuilt.

I should have mentioned before that the Government intend bringing down, in a supplementary Estimate, a sum specially to be applied in aid of the purchase of seed grain for settlers on any, and all, lands of the crown, and to encourage those now in the country to remain. This will, I am sure, receive the support of the House.

Now I come to,

VI. PUBLIC WORKS AND BUILDINGS.

Rents, Insurance and Repairs of Public Buildings,	
generally	\$38,234
Inspection and Surveys.....	4,000
Public Departments, to repair and fit up the Jesuits'	
Barracks	35,000

Bridge across the Ottawa River to Alunette Island, provided the Township in which the Bridge is situated furnishes an amount sufficient to complete it.....	\$ 3,000
Chargeable to the Building and Jury Fund of each Judicial District as far as expended there.	
Rents of Court Houses and Gaols.....	587
Insurances of Court Houses and Gaols.....	3,800
Repairs of Court Houses and Gaols.....	30,145
Montreal Court House, for the construction of out-buildings, Lodging for the Keeper and covering the roof with sheet iron.....	12,000
Montreal Common Gaol; Guard House in gaol yard, work shops, &c.....	4,000
Gaol for Females, Montreal, provided the City of Montreal pays quarter of cost.....	50,000
Court Houses and Gaols, new districts... ..	6,000
Making for Public Works and Buildings.....	<u>\$186,266</u>

The next is,

VII. CHARITIES.

Beauport Asylum	\$180,000
St. Johns do	20,000
Lunatics under charge of Sisters of Providence, Montreal	10,000
Lunatics, St. Ferdinand d'Halifax	3,000
Belmont Retreat Inebriate Asylum, Quebec	700
Marine Hospital, Quebec	4,000
Miscellaneous Charities.....	42,190
Reformatory Schools	5,940
Industrial do	6,000
Making a grand total under this head of.....	<u>\$221,880</u>

The large increase asked for in order that the Lunatics should be cared for is founded on the actual number at present in the Institutions named, and the subject of the large increase in the number of the insane in the Province, within the past few years, demands the serious attention of the Legislature and of our people.

It becomes a serious question also, besides finding the causes which produce so much insanity, whether it is not the duty of those localities, from which the insane may be sent to the asylums, to contribute directly from local resources, a certain proportion of the expense of keeping the lunatics, and providing for their wants.

The expenses of the Lunatic Asylums at Beauport and St. Johns, for the first year after Confederation, amounted to \$97,946, and for the same class, now requires the sum of \$163,000, under the more favourable contract entered into with the proprietors of the Beauport Institution, while at the same time the Miscellaneous Charities have increased from \$27,300 to \$46 890, including the grant to the Marine Hospital and the Inebriate Asylum.

These facts are startling and acquire an importance aside from the monetary question, deserving minute enquiry and consideration.

It will also be necessary to provide accommodation for an increased number of the unfortunate class referred to, and the Government seeing this, made application to the Dominion Government for the use of the St. John's Barracks, with that purpose in view.

The Dominion Government, however, declined to surrender possession of the Barracks at St. John's, but offered, on reasonable terms, to give us the Barracks of Chambly, for the purpose of our establishing an asylum larger than that at present in St. John's, and commensurate somewhat with the demand for increased accommodation required. The Government has under consideration this important matter at the present time.

I next come to

VIII. MISCELLANEOUS SERVICES.

Quebec Official Gazette.....	\$ 10,300
Arbitration under B. N. A. Act, '67.....	2,500
Miscellaneous	20,000
Total.....	\$32,800

IX. COLLECTION, MANAGEMENT AND OTHER CHARGES ON
REVENUE.

Municipalities Fund under C. S. L. C., Cap. 110, to meet demands for the year	\$ 5,000
Registration Service (Cadastres).....	\$ 30,000
General Expenditure by Crown Lands Department, including Jesuits' Estates, Clergy Lands, Crown Domain, Woods and Forests, &c.....	48,670
Surveys	24,000
	<hr/> \$102,670
Stamps, Licenses, &c.....	4,000
	<hr/>
In all.....	\$111,670
Making the whole estimated appropriations for the next fiscal year.....	\$1,792,934.40

I hope it will not be found necessary to expend the whole amount asked for, and that something less than voted will be found sufficient. Hon. members will understand that the appropriating of money does not necessarily imply that it will be spent if not required. All unexpended balances are written off at the close of each fiscal year.

I now come to certain items of expenditure required for the present fiscal year, and which will come out of the present year's revenue.

I have already explained why this vote is asked for, owing to increased expenditure, not foreseen, when the current year's estimates were voted, and to do away with the issue of special warrants for the services mentioned during this year.

Legislative Council and Assembly.....	\$40,200
Expenses of Elections.....	10,000
Civil Government—Contingencies of Public Depart- ments.....	2,800
Administration of Justice.....	30,000

Police.....	\$12,000
Immigration.....	12,000
Colonization Roads, 1st class.....	4,000
Public Works—	
Rents, Insurances and repairs generally.....	32,550
Quebec Temporary Court House.....	25,000
Sherbrooke Court House, Vaults.....	2,500
Beauport Lunatic Asylum.....	29,500
Montreal " ".....	2,500
St. Ferdinand d'Halifax.....	500
Survey of Boundary Line between Ontario and Quebec.....	14,000
Towards Purchase of Gaspé Fishery Lands.....	15,000
	<hr/>
	\$232,550

These amounts, if granted, will be placed to the various accounts mentioned, and the expenditure will appear in the Public Accounts for the current year.

Now, Mr. Speaker, my remarks heretofore have been directed principally to the receipts and expenditure of the last fiscal year, and to the estimated receipts and expenditure of the next fiscal year, giving such explanations as I considered necessary, in order to a full understanding of the whole subject presented.

I am quite aware of the difficulty I labor under in making such a statement interesting to the House, and I have to thank Hon. Members for their attention and patience under the infliction of so many details of dry figures, and, perhaps, drier explanations in the effort to make things clear. With your permission and that of the House, I will now, Mr. Speaker, add a few words upon our future prospects as a Province, and particularly as respects our financial position, in view of the large expenditure proposed in aid of Railways, and

RAILWAY POLICY.

I beg to reiterate here, what I have on previous occasions stated to the House, that I still adhere to the determination I formed.

when I accepted the office of Treasurer, to keep our annual expenditure within the limits of our annual revenue. This I have been enabled hitherto to do, and when I fail to do this, when I find that the demands on the Treasury exceed what I consider should be made—which cannot be resisted, and which the revenue of the Province will not permit—that moment the House will be acquainted with the fact, and I will resign my office—quite probably to a better man, one more competent than myself to manage the finances of the Provinces, but none more careful of our resources or more anxious they should be spent legitimately for the public good, and in accordance with the expressed wish of the Legislature. (Applause.)

I am not one of those, Mr. Speaker, who will consent to run our Province hopelessly in debt, in order to please any man, or set of men. I prefer rather to withdraw from public life, than be a party to burden those who come after us, with direct taxation to meet expenditure on even important objects—to suit the views of anybody, where such expenditure, in my humble judgment, is not absolutely required, and not likely to yield direct returns to Government.

I know these views are not likely to make me popular either in this House or out of it. There are some who, to ensure the execution of certain works which interest themselves personally, would not hesitate to test the credit of the Province to its utmost limit, place the Province in debt to such an extent as to absorb most of our revenue to meet the interest, and let those who come after us take care of themselves. Such is not good, sound public policy, and the adoption of such a course has led to financial dishonor, and extreme distress, to meet the liabilities incurred, and finally to bankruptcy and repudiation in other States at one time equally well off as we are.

To initiate a period of prosperity by the expenditure of large sums of money is quite easy, if future consequences are overlooked or ignored. To resist the demands of friends is hard, but the interest of our country should be preferred and maintained, even at the expense of such friendships as would likely entail on the Province financial ruin.

Holding such opinions, I now come to consider whether the position of the Province, financially, is such as to warrant us, even for the important purpose of promoting Railway enterprises, in incurring a certain amount of debt, for which the Province will be responsible in principal and interest, and also to consider the amount of the liability we should incur.

I believe, Mr. Speaker, the people of this Province are alive to the necessity of increased Railway accommodation, both as respects our local interests, and, also, as to attracting from other Provinces, the trade which our position in the centre of the Confederated Provinces entitles us to expect and provide for.

Municipal councils all over the country show this feeling by subscribing liberally towards Railway operations, in the shape of stock subscriptions, or bonuses, in aid of Railways; and the large indebtedness of the municipalities throughout the Province, should be constantly kept in mind, in calculating the amount which the Legislature should grant towards the same object.

If our municipalities find the taxes, thus voluntarily imposed on themselves, bear heavily on them, for a series of years, they will be the less disposed to meet whatever burdens the Legislature may impose. True, the stimulus given to all branches of industry, by the construction of Railways, will give additional means wherewith to pay taxes, but quite possibly the disposition to pay may not keep pace with the ability.

The Railway fever is very prevalent amongst our whole people. When it subsides somewhat, it is to be hoped the advantages of Railways will be found equal to what has been anticipated.

It will not do, then, to overlook the actual state of things, in the Province, respecting Railway indebtedness by the municipalities, in deciding what the Legislature should do. The position of municipalities and the Province as respects debt should be kept in view, each acting on the other.

We need not, Mr. Speaker, go into any discussion or consideration of the question how far all Railways should be built by gov-

ernments, and maintained and worked by them. However interesting such a discussion might be, under some circumstances, it has no practical bearing in our case. No person, however enthusiastic on Railway matters, or interested in a pet Railway scheme of his own, would venture to assert that the Province of Quebec should, or could initiate and attempt to carry out such a proposition.

All the Quebec Government can do, is to aid, to a limited extent, such Railways as seem most necessary to the development of the Province, in the first instance, having at the same time a due regard to benefitting other Provinces in the Dominion as much as possible. This proposition, I think, will commend itself to the common sense of this House, and assist us in arriving at a decision as to what Railways should first engage the attention of the Government. (Hear, hear.)

Another principle I lay down, which will, I think, be generally admitted, and that is, that all the Railway projects to which subsidies, either in land or money, have been made by the Legislature, are not equally important to the Province, and therefore not entitled to equal aid from the public purse or public domain. This proposition candid, disinterested men will accept, but it is difficult for persons deeply interested in the accomplishment of a scheme of their own, always to think and act quite disinterestedly, when personal interest, personal popularity, or prejudices, come into play.

A third proposition, I would also lay down, to assist us in determining what amount of aid should be granted to Railways, and what particular Railways have the best claim to whatever aid may be accorded, is this, that, as the finances of the Province do not permit of aid being given to all the Railway companies, those Railways having already received Legislative provision in aid of their construction, should first be considered, before granting any new promises, or legislating further in that direction.

In order that Government should be of any use, in assisting to build Railways, it must be enough to encourage private and municipal subscriptions, towards the same object, otherwise the

grant is useless. Whatever amount of aid it is possible for the Province to grant, must not be subdivided into such small amounts to each Railway as not to answer the object intended, which is, the construction of Railways. (Hear, hear.)

These propositions, if kept in mind, may enable us to arrive at what should be given, or liability incurred by the Province, which amounts to the same thing, and which Companies are first entitled to consideration at the hands of the Legislature.

Representations have been made to the Government, by many chartered Companies, that the aid already provided by the Legislature, to their respective Railways, is not sufficient, and further assistance prayed for.

These representations set forth in glowing colours the absolute necessity, in the public interest, that the particular Railway on behalf of which the memorial, or deputation speaks, is beyond all question the most important road in the Province, and that all parts of the country cannot fail to agree in this opinion. In fact so eloquently and forcibly are the advantages to some particular interest set forth, that one would almost be tempted to think that the welfare not only of the Province, but of the Dominion if not the whole British Empire, depended on this particular Railway being built. Minor considerations, such as the state of the Provincial finances, the necessity of carrying on the business of the country, or doing justice to other parts of the Province, weigh nothing with some parties. Visions of fat contracts, of personal popularity, shut out all other considerations. Some go so far as even hint, that a special session of the House should have been called, to give the members the privilege of testifying their appreciation of the disinterested efforts of some enthusiastic Railway operators, for the salvation of the country, by granting funds so that they could make something for themselves, or at least be in a position to sell out the little stock they were foolishly induced to subscribe in a Railway company, let us say, running from this point to the North Pole. (Laughter.)

This rough sketch is not mere fancy, Mr. Speaker. Neither you nor myself, would go to such extremes, of course not. We

are disposed to be reasonable in our demands! So every one else, with Railway on the brain, pretends, but the sincerity of such pretensions, ours amongst the rest, will most likely be tested before long.

Coming back again to the proposition I laid down. 1st That with our limited means we ought to aid those Railways which are most necessary to the development of our Province in the first instance, and having regard also to the general advantage of the Dominion.

Of all the Railways chartered by the Legislature since 1867. I think it must be admitted that for our Province and the Dominion—for the interest of both—are those Railways chartered from this city to Deep River in the county of Pontiac. These possess, without doubt, the first claim on the country for assistance, not to the exclusion of other Railways, but as to amount of aid to be granted. (Hear, hear.)

In the first place, there is no direct communication between the capital of this Province, and the capital of the Dominion, by Railway, on the north side of the St. Lawrence and Ottawa rivers. The late Province of Canada assisted largely, by grants from the public chest, to aid in the construction of the Grand Trunk Railway—towards which grants, those living north of the St. Lawrence between Quebec and Montreal, and the north of the Ottawa river between Montreal and Ottawa city, contributed equally with those parts of the late Province of Canada, now most favoured by the Grand Trunk Railway. That part of the Province proposed to be traversed by the Railways referred to, the North Shore and Montreal Northern Colonization Railways, are shut out to a great extent from the benefits of the Grand Trunk, which they helped to build. In the winter season they are completely isolated from communication with our principal cities, except by the old-fashioned sleigh road, and allowance should be made to this section of country for the reasons stated.

We cannot afford an equal expenditure, per mile, to that given the Grand Trunk Railway, but in judging of the relative importance of Railways now proposed to be built, and the relative

claims for aid, that important part of the Province referred to without Railway communication ; certainly demands the first consideration at the hands of the Legislature, and the largest amount of aid. (Hear, hear.)

Again—It is highly important to our prosperity as a Province, that the Eastern End of the Pacific Railway should be built direct through our Province, to the tide waters of the Ocean at this city. To secure this we should be ready, as soon as possible, with that portion which passes through our territory. If we wait till the Pacific Railway is built, before being ready for the connecting link, between the Easterly End of the Pacific Railway proper, and the Western End of our Northern Grand Trunk Line, we may rely upon it, we shall be cut off by other connections made from Ontario, and find ourselves too late ; other communications for trade and transport of goods opened up, trade will be diverted into other channels, and we will be left out in the cold, so far as being part of the Pacific Railway, is concerned. Our Railway if not built now will probably never be built, at all events, we would lose the main connection with the West or the North, and lose it for ever.

Another point with reference to the Railways referred to, and that is, the Legislature has already discriminated in favour of those roads over others, both in quantity and quality of the land set apart for their use. (Hear, hear.) This was done partly because of previous engagements made by former Legislation, but principally because of the importance of the roads to be built, and with the view of rendering justice to those parts of the Province that were comparatively excluded from Railway advantages ; and also with the view of affording another outlet for the immense traffic, which will in a few years seek an outlet, by the St. Lawrence, to all parts of the world. (Hear, hear.)

These considerations I think, Mr. Speaker, show, that the Government, in deciding to grant more aid to certain Railways, than to others, have acted wisely and in the true interest of the Province, and in such a way as will receive the support of this House and the country.

It is to be borne in mind, however, that in the scheme proposed, the Government intends to deal at present only with that part of the line of railway between Quebec and Aylmer. Provision is made, however, for that of the railway between Aylmer and Deep River, should the Company prefer to surrender their land grant for that portion of the road at a future time, and accept, in lieu, a money subsidy. When that part of the road between this City and Aylmer, is well under way, and there is a prospect of the Pacific Railway being built, the same provision is made for continuing the road towards Aylmer, as is proposed for the eastern portion of the line. (Hear, hear.) That part of the Main Northern Grand Trunk line is by no means abandoned or unprovided for, but in order to avoid too large an issue of debentures at once, it is postponed, until some progress has been made in the other portions of the line, then to be resumed,—when the precise locality as to connection with the Pacific Railway can better be ascertained and decided upon. (Hear, hear.)

I now come, Mr. Speaker, to the consideration of another proposition I laid down, which was, that as the resources of the Province will not permit of granting aid to all the Railway Companies asking assistance, those having already Legislation granting aid, should first be provided for, before granting assistance to other enterprises of a like kind. This class of railways is a large one, and for the most part situated on the south side of the St. Lawrence. It has been represented to the Government, both by memorial and verbal statements, that the aid granted to what are called Colonization Railways in the law, viz: three per cent per annum for 20 years on \$5,000—the estimated cost of wooden railways, per mile, equalling a capitalised subsidy of \$1,710 per mile, payable upon completion of the Railway, is not sufficient to ensure the completion of the Railways referred to.

The fact that Wooden Railways have not been found to answer the purpose intended, as well as was at one time expected, has led the companies to decide upon using iron or steel rails on, I believe, all the roads, so far as I know, entitled to the subsidy mentioned. This change of rail materially increases the cost of construction, not only in the difference of cost in the rails, but in the necessity

of reducing gradients and building the road-bed, and particularly bridges, in a more substantial manner than was required for wooden railways. In order, therefore, to assist in the construction of a better class of railways, than that originally proposed, when the subsidy referred to, was granted, it is proposed to give a small additional sum per mile to these railway companies, not including, however, any additional subsidy for bridges, the grant being so much per mile counting the bridges as part of the length of the road.

The number of miles thus subsidized already will be about 620 miles. The subsidy now proposed to be paid, will be paid in Government debentures, so much per mile, upon the full completion of the road. It seems to me quite clear that to ensure the completion of these Railways, it is better to grant additional aid to that already guaranteed by statute, than to refuse it and apply the amount proposed now to be added to former subsidies towards the construction of other lines of Railway.

To adopt the latter course, the probability is, that but few of the roads would be built, on account of the smallness of the aid given, whereas by the construction of these lines, and the impetus which will thereby be given, to all kinds of business along the lines of road, when fully in operation, the Government may hereafter feel better able, at no very distant day, to come to the relief of other Railways. (Hear, hear.)

Inasmuch as the Government cannot with justice to the Province, and in view of the other services which must be performed, grant aid to all the Railway companies seeking for assistance, that is, such aid as would practically be of any service if divided among all the Railway companies. it seems to me reasonable, and just, that good faith ought to be kept with those companies, which have gone on expending money, on the strength of the provision already made, and which are endeavoring to build a better class of Railways than at first intended. These Railways require more aid than those of an inferior class. It is much to be regretted that larger means are not at our disposal. As it is we must make the best use possible of what we have, having due regard to present obligations and our financial position. (Hear.)

One thing it is important to keep in mind. This class of Railway should not be allowed to retain their right to a subsidy for an indefinite period, perhaps to the exclusion of other Railways equally important, though at present, owing to previous obligations, they cannot receive aid from the Legislature. Any Railway company which has received promise of aid ought to be obliged within one year, not merely to organize, but to be *bona fide* in active operation, and have at least ten miles graded ready for the rails, and to have their road, say in four years, fully completed and ready for public travel. In default of compliance with these provisions the grant and the right to it should cease, leaving to the Legislature the power to dispose of the money as may be found advisable (Hear, hear.) The adoption of this rule will test the sincerity and good faith of the projectors of any Railway, and if the company fails to fulfil the conditions imposed, the Legislature may, on good cause being shown, re-grant the subsidy or appropriate it to some other Railway, or dispose of it in any other way in its discretion.

There is still another class of Railways which have received grants of land from the Legislature, other than those first mentioned—(from Quebec to Deep River,) and which are of more or less importance to the Province—the Government intend making provision for these by subsidy payable in Government Debentures instead of land, in case the companies, or any of them, wish to surrender their land grants and take the subsidy, in Debentures, instead. Keeping always in view what I have repeatedly mentioned as to the desire of the Government to aid, as far as possible consistent with the resources of the Province, the construction of Railways, it is proposed to give a subsidy equal to that granted the second class of Railways I have alluded to, in case the land grants are abandoned. It is not proposed to repeal the land grants given to any Railway company, but should any such company, within one year, notify the Government that they prefer the cash subsidy to the lands, they may be authorized to accept the same, and the Government to grant it, upon full completion of the Railways in sections of 25 miles, as provided for other Railways. (Hear, hear, and applause.)

Now let us look, Mr. Speaker, for a moment at what proportions of the Province will be traversed by the proposed Railways, to which, either lands or money, have been granted. If it is found that the largest part of the Province will be benefitted by the expenditure of from \$10,000 to \$20,000 per mile—consequent upon the aid granted by the Government—and that by far the larger share of our population will either directly, or indirectly, reap the benefit of such expenditure, and the benefit of the Railways when built, then I think the scheme proposed will commend itself to the good sense and judgment of this House and of the country.

We begin first at the eastern extremity of the Province with the Bay of Chaleurs Railway Company. This road will run through the Counties of Gaspé and Bonaventure, and has a land grant of 10,000 acres per mile.

Then we have the Quebec and New Brunswick Railway—from River du Loup to Woodstock, N.B., with 10,000 acres of land per mile. This road will pass through the Counties of Temiscouata and Kamouraska.

Next we come still on the South side of the St. Lawrence, to the Levis and Kennebec Railway. This railway, which I am happy to say shows signs of life and vigour, will pass through the Counties of Levis, part of Dorchester, and Beauce, to the Province line.

Then comes the Sherbrooke Eastern Townships and Kennebec Railway, which I hope to see running next summer for nearly 40 miles from the Town of Sherbrooke. This road will pass through the Town of Sherbrooke, the Counties of Wolfe, Megantic, Lotbinière, Beauce and part of Compton, and connect with the Levis and Kennebec Railway. (Hear, hear.)

Then, we have the Richelieu, Drummond and Arthabaska Railway, of which about 50 miles are in operation as a Wooden Railway, with some 20 to 30 miles more ready for the rails, which are to be of iron instead of wood its entire length, and will pass through the Counties of Brome, Shefford, Bagot, Drummond, Yamaska and Richelieu.

Then we have the Missisquoi and Black Rivers Valley Railway, starting from Richmond and passing through that County and those of Shefford and Brome.

Then we find the Philipsburg, Farnham and Yamaska Railway, which is intended to pass the Counties of Nicolet, Yamaska, Richelieu, Bagot, Rouville and Missisquoi.

Then the Waterloo and Magog Railway Company, which will pass through Shefford, Brome and part of Stanstead Counties, and I hope part of the Electoral Division of Sherbrooke.

The St. Francis, Megantic and International Railway Company, which will pass through part of the Electoral Town of Sherbrooke and through the County of Compton almost its entire length.

The Quebec Frontier Railway is intended to pass through the Counties of Huntington, Châteauguay and Beauharnois. All these are on the South side of the St. Lawrence, and include all to which any grant attaches so far as I know.

Then there is the branch from the Montreal Colonization Railway to St. Jérôme, a distance of some twenty miles, to which a subsidy is promised irrespective of the grant of land to the main line.

There is next the Montreal Northern Colonization Railway, which will pass through the Counties of Hochelaga, Jacques Cartier, Laval, Terrebonne, Two Mountains, Argenteuil, Ottawa, and part of Pontiac.

The North Shore and Fies Railway passes through the Counties of Quebec, Portneuf, Champlain, St. Maurice, Three Rivers, Maskinongé, Berthier, Joliette, L'Assomption, and Hochelaga.

The Quebec and Lake St. John's Railway is proposed to pass through the Counties of Quebec, Portneuf, part of Montmorency and Chicoutimi.

This list of fourteen Railways, all subsidized by the Legislature, either by land or money grants, will be found to include most of

the Counties of the Province, and do not include many other Railways, such as the Grand Trunk and Intercolonial roads, the Shefford and Chambly, South Eastern Counties, Sorel and Chambly, and others which are not included amongst them, towards the construction of which the Legislature has pledged assistance. (Hear, hear.)

It will thus be seen how large a proportion of the Province will derive direct advantages from the Railways subsidized by the Legislature, both by the expenditure of large sums of money during their construction, and especially by the establishment of various industries which uniformly follow the introduction of Railways into any country.

I now come, Mr. Speaker, to the distribution of the subsidies proposed; to the various Railways, instead of the land grants, and the proposed increase to be made to cash subsidies. It is to be observed that the Government, in no case, wishes to disturb the existing arrangements, as to land grants, unless the Companies, in whose favour these were made, see fit to relinquish them, and prefer to accept the provision proposed to be made in their favour. It has been represented, by several Companies, that money cannot be raised upon the security of the lands granted and on security of the roads proposed, sufficient to build the Railways, and provide sufficient rolling stock. The importance of having our Railway system perfected as far as possible, and the necessity of something being done to ensure the construction of Railways pressed itself so much on the Government as to induce them to endeavour to grant such assistance from the public purse, and to show their confidence in the various projects submitted, as would induce capitalists to invest money in Railway enterprises, believing that such investments would be safe, and at the same time largely benefit the Province. (Applause.)

To assist hon. members in understanding what is proposed, I divide the Railways mentioned as having aid promised, into three classes, A, B and C.

In class A I place the North Shore Railway including the Piles branch and the Montreal Northern Colonization Railway, both extending from Quebec to Aylmer.

These two Companies, it is proposed, should surrender the whole of their land grant with the exception of what is known as block A, on the Ottawa River, containing some 1,827,400 acres of land, which will remain to the Company.

It is proposed, in addition to this, to grant to these Companies, the sum of two millions of dollars—(Applause)—in Government five (5) per cent debentures, interest payable half yearly, with sinking fund of one per cent. This amount to be divided between the said companies in proportion to their land grant respectively. Before any debentures are issued, the Government must be satisfied that sufficient funds, including the Government aid, are at the command of the companies respectively, to complete their railways, including station houses, machine shops, rolling stock, &c., complete. The debentures only to be paid to the respective Railway Companies, as each 25 miles of railway are built *pro rata* as the amount payable by the Government bears to the whole length and cost of the road.

That part of the line, from Aylmer to Deep River, to remain in its present position as respects subsidy, subject to be dealt with in the same manner, and in like proportion when the line is permanently located, its exact position and length ascertained, and further action required. These Railways to be built as first class Railways, and the Companies are, so soon as any amount of Government debentures are handed over to them respectively, to deliver to the Treasurer of the Province, an equal amount of six per cent bonds of their Company, to rank and hold, as a lien or mortgage on the entire property of the Company, next after the 1st mortgage bonds and the subscription of the Cities of Quebec and Montreal and other municipal aid; the amount of first-class mortgage bonds to be issued by the said Companies respectively, to be fixed and approved by the Lieutenant-Governor in Council. In order to secure the proper expenditure of the moneys of the Company, and to insure the building of the Railways mentioned as first class roads; the Government to have the right to name certain additional directors in said companies, which will appear in the law.

The object of the Government in retaining the right to withhold payment of the Government bonds, until such times as they are

satisfied there are funds sufficient at command of the respective companies to complete the road, is to ensure the completion of the whole line of road under each company. It will never do to repeat the Grand Trunk policy over again—(hear, hear,)—and have to give repeated assistance towards building these roads, owing to failure in completing them, on the ground that unless more aid is granted to finish the construction, what had been granted would be lost. This must be avoided, and accordingly the Government must be satisfied, that the companies respectively, are prepared to complete these lines of road, before the Government commence paying their debentures. The consent of the Government being necessary as to the amount of first class mortgage bonds of the company to be issued, will guarantee the purchasers of said bonds, that no more will be placed on the market than absolutely required, any over issue prevented, and that the proceeds of such bonds will be legitimately expended for construction purposes. Possibly instead of requiring bonds of the company in lieu of the Government debentures, the contribution of the Province may be held as so much subscribed stock. This is a matter of detail which can be easily arranged so as to meet the views of the parties interested.

I am in a position, I think, to state that the amount of aid granted to the North Shore and Montreal Northern Colonization Companies will be sufficient, with the other subscriptions at their command, to fully complete the respective roads. Of course more aid from the Government they would have liked, and it would have given greater profits to some one, but the Government has gone as far as was consistent with the interests of the country. (Hear, hear.)

I now come to those Railways which have been promised a cash subsidy on their completion, which I call class B. The subsidy granted, and at present existing, was principally made on the supposition that wooden rails would be used. The amount thus granted was found insufficient for Railways with iron rails, and it is now proposed that to such companies as use iron or steel rails, the subsidy shall be increased to \$2,500 per mile, in similar Government debentures to those already mentioned, and

payable as each section of 25 miles and upwards is completed and ready for public travel ; no extra allowance to be granted for bridges, the length of which will be reckoned as part of the road. These roads are—

The Levis and Kennebec.

- " Sherbrooke Eastern Townships and Kennebec.
- " Richelieu, Drummond and Arthabaska.
- " Phillipsburg, Farnham and Yamaska.
- " Waterloo and Magog.
- " Missisquoi and Black Rivers Valley.
- " Quebec Frontier.
- " St. Jérôme Branch.

This class is estimated to be 620 miles in length, which I hope may be shortened somewhat, but at that figure, at \$2,500 per mile, would amount to \$1,450,000, deducting what has been paid on the Richelieu, Drummond and Arthabaska, and Gosford Railways. I am quite aware there are roads in this class which are more important for the interest of the Province than others, but I found it impossible to discriminate in such a way as to recommend different subsidies for different roads, and, besides, the Legislature in granting aid formerly treated all alike, and I feel bound to recommend the same course. I hope, however, the increased aid granted will be sufficient encouragement to secure the construction of the Railways most needed, and if, as I fully expect, there are some which will not be built, the aid granted will be retained in the Treasury, subject to appropriation by the Legislature, for similar or other purposes as may be found advisable. (Hear, hear.)

In the next class of Railways, which I call class C, are those Railways towards the construction of which land grants have been made, and aside from Railways leading from this city to Deep River. These companies may, on the prosecution of the work of construction of their respective Railways, receive the lands granted, upon compliance with the terms made in the law, but if said companies or any of them wish to surrender their land grant, and so declare their option, within one year, to the Government, in writing, they may receive instead of their land

grant, \$2,500 per mile subsidy in debentures, of the kind already mentioned, in sections of 25 miles and upward, completed and equipped as the law requires. This class includes—

The Quebec and New Brunswick Railway—from River du Loup to Woodstock, New Brunswick, for the length of the line in the Province.

The Quebec and Lake St. John's.

“ Bay of Chaleurs.

“ Aylmer and Deep River.

“ St. Francis and Megantic International.

It is not very likely these companies will take advantage of this provision, as they will probably consider their land grants more valuable than the proposed subsidy in Government bonds. At the same time circumstances may induce them to surrender their land grants, in which case the Province will be fully reimbursed for any outlay on account of these roads, by the value of the lands surrendered. I am inclined to think it will be several years before the roads in this class will be built, but in order to complete the Railway policy, as far as possible, it was thought better to make provision for all the Railways, towards the construction of which assistance had been promised, heretofore, by the Legislature. It is to be remembered that the Railway from Aylmer to Deep River, though in class C, will receive no part of the \$2,500 a mile, but a larger amount, equal to that given to the eastern end of the Montreal Northern Colonization Railway.

Now it is to be borne in mind that while the Government have every desire to aid in the construction of Railways, it is equally their duty to see that the finances of the Province are kept in a sound condition, and the credit of the Province not impaired, or the value of their securities reduced by too large an issue of their debentures. Nothing would have given me more pleasure, Mr. Speaker, had I been able, in the interest of the Province, than to have increased the amount of the subsidy proposed to Railways, but, I must repeat, that I cannot be a party to incurring liabilities, to such an extent as to interfere with the efficiency of the public

service, or requiring additional burthens to be placed on the people. This is my bounden duty, and one which I feel, being intrusted to my hands, must be performed, even at the sacrifice it may be, of my personal feelings, or of the feelings of some of my friends. (Hear, hear.)

In order that we may see at a glance what indebtedness the carrying out of the proposed plan will entail on the Province, let us look at a summary of the amount proposed to be given.

IN CLASS A.

The North Shore including the Piles branch and Montreal Northern Colonization Railway as far west as Aylmer..... \$2,000,000

IN CLASS B.

620 miles of Railway, deducting payment made..... 1,450,000

IN CLASS C.

Aylmer and Deep River, special.....	\$ 640,000	
Other Railways 495 miles at \$2,500 less payt. made.....	1,190,000	
		<u>1,830,000</u>
Total Amount.....	\$5,280,000	

Even if all the Railways mentioned are built, and all the companies entitled to land grants surrender the same and prefer the cash subsidy instead.

I must acknowledge that in working out the proposition, adopted by the Government, the amount comes higher than I had anticipated, owing to the greater number of roads subsidized and their aggregate length being more than I had supposed. I do not anticipate, however, that the Province will be called upon to exceed four millions of dollars—advance on the Railways mentioned, as several in Class B, will not be built, and the companies in Class C, may not give up their land grants. If, however, they should,

it would result, as to amount of aid, as I have stated, and there would revert to the Crown with that part of the grants to the roads in Class A, surrendered some six millions of acres of land, which would fully compensate for any outlay towards these roads. (Hear, hear.)

In any case, I am fully convinced that the Province can afford to pay the interest required to meet the annual charge thus imposed, without materially affecting the other services of the country; and it is only for the important purposes of opening up the Province by means of Railways, and thus developing the resources of our Province, stimulating industries of all kinds, and increasing our population, wealth, and standing in the Dominion, that the Government would have consented to incur anything like so large a liability. (Applause.)

I am quite aware that the scheme proposed will be criticised by many. Some will object to the amount thus proposed as being too large for the Province to bear; others that it is quite too small, and might with perfect safety have been doubled. Some will object that their particular line of road does not receive enough aid, and that others are receiving too much. There are still others who will say that some new lines of road should have been subsidized, either by granting no increase to those companies at present entitled to subsidies, or by increasing the amount payable by the Province. But, I am satisfied, the Province generally, will think the Government have acted liberally in the premises—acted with due regard to the different sections of the Province, as far as possible, and have extended as much aid as our present resources will permit. (Hear, hear.)

In order that we may meet the interest and sinking fund of the bonds proposed to be issued, on the whole, say 6 per cent, there will be required the strictest economy in our expenditure on the other branches of the public service, and probably a cutting off from several items which now receive aid from the public purse; with these we can carry on the business of the country and pay our interest, without doubt, although our present surplus may possibly be encroached upon year by year. The expenditure,

however, on Railway enterprises, of all of our available funds, will be much better for the Province than investing them at interest in the Bank; the gain to the Province far exceeding any interest we may receive on permanent deposits.

I have estimated that it will require four or five years for the issue of the bonds proposed, if all the Railway companies avail themselves of the law proposed. This will give ample time for our expenditure on works of a public kind to be done, and arrangements for the future business of the country to be provided for.

While I fully believe that all the Railway companies, referred to, will not call on the Government, for the aid mentioned, in the shape of cash or bonds; at the same time it would be highly imprudent, at present, to increase the debt of the Province, until our permanent public works are about finished, and we are in a position to judge better of the revenue, which I believe may be increased, to any legitimate amount required and of the annual charges which must be provided for, out of our annual revenue. (Hear, hear.)

Notwithstanding our large proposed expenditure on works of a permanent character during the coming year, we may, I think, safely calculate on a saving of \$200,000 on the year's operations; more than enough to meet any interest on bonds issued. And when once our offices in the Jesuits' Barracks are fitted up ready for use, the rent and taxes at present payable by the Government will cease, amounting to a considerable sum annually.

Possibly, Mr. Speaker, the fact that we may have to economise somewhat hereafter, may be of no practical disadvantage to the country, and, as I have said before, if anything would justify us in running into a moderate amount of debt, it could not be for a better object than opening up our Province, in so many different directions, by affording Railway accommodation.

Looking then at our position now, and at our prospects in the future as a Province, I think we have no need for alarm. On the contrary, I think we have great cause for hope. We have every reason to look forward to prosperity, and to expect that the com-

pletion of our system of Railways will leave our people, nothing to envy in other Provinces of the Dominion, and nothing to induce them to leave our country for the neighbouring States. (Applause.)

I trust the Railway project presented, will not be looked upon as a mere party question. This House will, I hope, look at the proposition submitted in the light of the interests of our whole people. On questions so materially affecting our prosperity, and on which our advancement as a people so much depends, the only rivalry which should exist amongst members of this House, should be, who can do most to render a measure of this kind perfect, so as to produce the greatest possible amount of good.

It has been urged against the people of this Province, Mr. Speaker, that they were old fashioned,—behind the times, had little enterprise, and could not get out of the plans, customs and habits of their forefathers. I think the legislation of this House on the Railway interests of this Province will convince the most sceptical that such reproaches against the people of Lower Canada are entirely unmerited.

Comparisons are said to be odious, but I would not fear comparison with any part of this continent, taking into account our situation, soil and climate.

As to the interest felt in the promotion of public improvements, and in respect for the laws and constituted authority; as to interest in the promotion of education, secular and religious, and as to the good feeling which exists in our community between people, originally of different nationalities, race and creed; no Province, no State, can outdo our people, in these respects. (Applause.)

Mr. Speaker, I must now conclude these remarks. I thank you and Hon. Members for the attention and patience with which they have been listened to. I have attempted no fine speaking, no flights of fancy, but only to make my meaning as plain as possible.

We will soon have a change of a good part of the "personnel" of this House, I cannot help regretting this, and I sincerely hope, that the general harmony, which has hitherto prevailed amongst

the Members on both sides of the House, may be as marked in the future as in the past, and, I also venture to hope that, when the present Members of this House are replaced by others, as they must be in the course of a few years, their successors may be found as loyal to the person and Crown of our beloved Sovereign, Queen Victoria; as attached to British Institutions and British connections; as earnest in the advancement of the prosperity of our Province, and as desirous of securing and maintaining those inestimable blessings, a free press, free Legislation, free Institutions, civil and religious liberty, now common to all, and which all hold sacred, and of transmitting these to their successors, all of which, I feel, has been the earnest wish and desire, of the Members of this House, since they first met under our present Constitution.

The Hon. Gentleman closed his address, which was listened to with marked attention, amid loud cheers.

